

## REMARKS

1. Applicant thanks the Examiner for the Examiner's comments which have greatly  
5 assisted Applicant in responding.

## 35 U.S.C. §102(e)

2. The Examiner rejected Claims 2, 3 and 5-8 under 35 U.S.C. §102(e) as being  
10 anticipated by Schirripa, U.S. Patent No. 6,282,520.

Applicant respectfully disagrees.

- However, Applicant has amended independent Claim 2, as well as has canceled  
15 dependent Claim 3 and incorporated it into Claim 2, to further clarify the claimed invention.

Amended Claim 2 appears as follows:

- 20 2. (currently amended) A computer implemented method for combining two or more risk models for providing an investor with a risk model with wider scope than its constituent parts, comprising the steps of said computer:
- denoting a class of algorithms for constructing estimates of covariance matrices from time histories of data;
- 25 denoting a class of asset classes;
- denoting a class of multi-factor risk models for said denoted class of asset classes; and
- constructing risk models for each asset class as follows:
- applying a method from said denoted class of algorithms to estimate a
- 30 first covariance matrix from a history; and
- applying a different method from said denoted class of algorithms to estimate a second covariance matrix from a history; and
- combining asset class risk models based on said class of multi-factor risk models and using said estimated first and second covariance matrices to
- 35 form and output a risk model with broad coverage that is consistent with each asset class model.

Support for amended Claim 2 can be found in the Specification on pages 13-14.

Applicant is of the opinion that Schirripa does not teach all claim limitations of amended  
5 Claim 2. It is readily apparent that Schirripa does not construct the risk model of the  
claimed invention. Therefore, Applicant is of the opinion that Claim 2 is in allowable  
condition. Accordingly, Applicant respectfully requests that the Examiner withdraw the  
rejection under 35 U.S.C. §102(e).

10 Claims 5 and 7

Similarly as with Claim 2, Applicant has canceled dependent Claims 6 and 8 and has  
amended independent Claims 5 and 7 to further clarify the invention. Therefore, in view  
of the comments hereinabove, Applicant is of the opinion that amended Claims 5 and 7  
15 are in allowable condition. Accordingly, Applicant respectfully requests that the  
Examiner withdraw the rejection under 35 U.S.C. §102(e).

3. It should be appreciated that Applicant has elected to cancel Claim 1 and amend  
Claims 2 and 3 solely for the purpose of expediting the patent application process in a  
20 manner consistent with the PTO's Patent Business Goals, 65 Fed. Reg. 54603 (9/8/00).  
In making such cancellation and amendment, Applicant has not and does not in any  
way narrow the scope of protection to which Applicant considers the invention herein to  
be entitled. Rather, Applicant reserves Applicant's right to pursue such protection at a  
later point in time and merely seeks to pursue protection for the subject matter  
25 presented in this submission.

### CONCLUSION

Based on the foregoing, Applicant considers the claimed invention to be distinguished  
5 from the art of record. Accordingly, Applicant earnestly solicits the Examiner's  
withdrawal of the rejections raised in the above referenced Office Action, such that a  
Notice of Allowance is forwarded to Applicant, and the present application is therefore  
allowed to issue as a United States patent. The Examiner is invited to call to discuss  
the response. The Commissioner is hereby authorized to charge any additional fees  
10 due or credit any overpayment to Deposit Account No. 07-1445.

Respectfully Submitted,



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